

ORIGINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JUDGE SWAIN

- - - - - X
UNITED STATES OF AMERICA :

-v.- :

GERY SHALON, :

a/k/a "Garri Shalelashvili," :

a/k/a "Gabi," :

a/k/a "Phillipe Mousset," :

a/k/a "Christopher Engeham," :

JOSHUA SAMUEL AARON, :

a/k/a "Mike Shields," and :

ZIV ORENSTEIN, :

a/k/a "Aviv Stein," :

a/k/a "John Avery," :

Defendants. :

- - - - - X

SEALED INDICTMENT

15 Cr. _____

15 CRIM 333

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: 6/2/15COUNT ONE

(Conspiracy to Commit Securities Fraud)

The Grand Jury charges:

Background

1. At all times relevant to this Indictment, GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," the defendant, was a citizen and resident of Israel. At all relevant times, together with JOSHUA SAMUEL AARON, a/k/a "Mike Shields," and ZIV ORENSTEIN, a/k/a "Aviv Stein," a/k/a "John Avery," the defendants, and others known and unknown, SHALON orchestrated multi-million dollar stock manipulation – or "pump and dump" –

schemes to manipulate the price and volume of traded shares in numerous publicly traded stocks by means of deceptive and misleading email campaigns, and manipulative, prearranged stock trading. At all relevant times, SHALON directed AARON, ORENSTEIN, and others in the operations of the conspiracy, and beneficially owned and controlled certain bank and brokerage accounts used in furtherance of the scheme, which he caused to be opened using various aliases, false and fraudulent passports, and other false identification information.

2. At all times relevant to this Indictment, JOSHUA SAMUEL AARON, a/k/a "Mike Shields," the defendant, was a United States citizen who, at relevant times, resided in the United States and Israel. At all relevant times, using the alias "Mike Shields," including false identification and a Social Security Number belonging to another person, AARON acted as the scheme's "front-man," communicating with U.S.-based co-conspirators and others at the direction of GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," the defendant. In addition, in furtherance of the scheme, working with SHALON, AARON orchestrated deceptive and misleading email promotional campaigns to manipulate the price and trading volume of numerous stocks.

3. At all relevant times, ZIV ORENSTEIN, a/k/a "Aviv Stein," a/k/a "John Avery," the defendant, was a citizen and resident of Israel. At all relevant times, using the aliases "Aviv Stein" and "John Avery," and using false passports and other false identification information to support those aliases and others, ORENSTEIN opened and managed bank and brokerage accounts used in furtherance of the scheme, and directed the payment of certain expenses of the scheme from overseas bank accounts under the direction of GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," the defendant.

4. At all relevant times, Promoter-1, a co-conspirator not named as a defendant herein, was a United States citizen and resident of New Jersey. At relevant times, Promoter-1 worked with GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," JOSHUA SAMUEL AARON, a/k/a "Mike Shields," and ZIV ORENSTEIN, a/k/a "Aviv Stein," a/k/a "John Avery," the defendants, to manipulate the price and trading volume of certain publicly traded stocks.

5. At all relevant times, Promoter-2, a co-conspirator not named as a defendant herein, was a United States citizen and resident of Florida. At relevant times, Promoter-2 worked with GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," JOSHUA SAMUEL

AARON, a/k/a "Mike Shields," and ZIV ORENSTEIN, a/k/a "Aviv Stein," a/k/a "John Avery," the defendants, to artificially manipulate the price and trading volume of certain publicly traded stocks.

6. At all relevant times, Entersa Limited ("Entersa") was a shell company incorporated in the United Kingdom and beneficially owned and controlled by GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," the defendant. At relevant times, at SHALON's direction, Entersa maintained a bank account in Cyprus (the "Entersa Cyprus Account"), and brokerage accounts at certain U.S. securities brokerage firms, including Firm-1 and Firm-2, in furtherance of the unlawful schemes described herein.

7. At all relevant times, Jemsta Enterprises Limited ("Jemsta") was a shell company incorporated in the British Virgin Islands and beneficially owned and controlled by GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," the defendant. At relevant times, at SHALON's direction, Jemsta maintained a bank account in Cyprus and a brokerage account at Firm-1 (together with the Entersa accounts at Firm-1 and Firm-2, the "Entersa-Jemsta Brokerage Accounts"), in furtherance of the unlawful schemes described herein.

8. At all relevant times, Warmkal Trading Limited ("Warmkal") was a shell company incorporated in Cyprus and beneficially owned and controlled by JOSHUA SAMUEL AARON, a/k/a "Mike Shields," the defendant. At relevant times, at AARON's direction, Warmkal maintained a bank account in Cyprus (the "Warmkal Account") which AARON used to launder his criminal proceeds from the unlawful schemes described herein.

MEANS AND METHODS OF THE CONSPIRACY

9. At all times relevant to this Indictment, in furtherance of the conspiracy, GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," and JOSHUA SAMUEL AARON, a/k/a "Mike Shields," the defendants, identified opportunities to partner with "promoters," including Promoters-1 and -2, of unlawful schemes to manipulate the price and trading volume of particular stocks to enable members of the conspiracy to sell their holdings in those stocks at artificially inflated prices. At all relevant times, among other things, the "promoters" identified the companies whose stock would be targeted for manipulation. In some instances, at the time SHALON and AARON partnered with the promoters, the companies identified by the promoters were already publicly traded, and in other instances, when they partnered with the promoters, SHALON and AARON worked with the promoters to cause the companies to become publicly

traded in furtherance of the scheme. In either case, upon partnering with the promoters to manipulate the price and trading volume of a particular company's stock, SHALON, AARON and the promoters agreed upon the compensation SHALON and AARON would receive for their role in the scheme, which typically amounted to either hundreds of thousands of dollars, or to shares in the targeted stock that SHALON and AARON typically sold for hundreds of thousands or millions of dollars in profits in the course of the scheme.

10. Also in furtherance of the conspiracy, the promoters - along with, at certain times, GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," and JOSHUA SAMUEL AARON, a/k/a "Mike Shields," the defendants - acquired control over all or substantially all of the free-trading shares of the targeted stock, that is, shares that the owner could trade without restriction on a national stock exchange or in the over-the-counter market. At certain times, in furtherance of the scheme, when they acquired such free-trading shares, SHALON and AARON held the shares in the Entersa-Jemsta Brokerage Accounts, which were opened and managed in part at SHALON's direction by ZIV ORENSTEIN, a/k/a "Aviv Stein," a/k/a "John Avery," the defendant, under aliases that ORENSTEIN supported with false and

fraudulent passports and other false personal identification information.

11. As a further part of the scheme to defraud, after members of the conspiracy acquired control of a substantial portion of the free-trading shares of the targeted stock, GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," and JOSHUA SAMUEL AARON, a/k/a "Mike Shields," the defendants, and their co-conspirators artificially inflated the stock's price and trading volume through two fraudulent and deceptive means. First, certain members of the conspiracy typically executed pre-arranged manipulative trades to cause the stock's price to rise small amounts on successive days. Second, in connection with that trading, SHALON and AARON began disseminating materially misleading, unsolicited ("spam") emails - emailing up to millions of recipients per day - that falsely touted the stock in order to trick others into buying it. As orchestrated by SHALON and AARON, these emails contained materially false and fraudulent statements including, for example, (i) that the stock's recent trading activity reflected legitimate demand for the stock (when in truth and in fact, and as AARON and SHALON well knew, the trading activity was caused in whole or in part by the manipulative trading of their co-conspirators) and (ii) that the emails were being distributed and financed by certain

third parties when, in truth and in fact, and as AARON and SHALON well knew, the emails were being distributed and financed by SHALON, AARON and their co-conspirators, who controlled all or nearly all of the free-trading shares of the stock.

12. Also in furtherance of the conspiracy, after causing the stock's price and trading volume to increase artificially during the days or weeks of the email promotional campaign, members of the conspiracy (including, when they owned shares, GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," and JOSHUA SAMUEL AARON, a/k/a "Mike Shields," the defendants) began dumping, or selling, their shares in a coordinated fashion, often resulting in huge profits to members of the conspiracy. SHALON and AARON alone earned millions of dollars in illicit profits this way, selling shares of manipulated stocks from the Entersa-Jemsta Brokerage Accounts in coordination with their email promotional campaigns and co-conspirators. The co-conspirators' massive coordinated sales typically placed downward pressure on the stock's price and caused its trading volume to plummet, exposing unsuspecting investors to significant losses.

13. As a further part of the scheme to defraud, after selling shares of the manipulated stock at artificially high prices or otherwise receiving compensation from promoters for

their role in the scheme, GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," and JOSHUA SAMUEL AARON, a/k/a "Mike Shields," the defendants, laundered their criminal proceeds overseas, directing millions of dollars of their criminal profits to the Entersa Cyprus Account for further distribution in part to AARON's Warmkal Account and to other overseas shell company accounts beneficially owned and controlled by SHALON and other members of the conspiracy.

Statutory Allegation

14. From at least in or about 2011, up to and including in or about May 2015, in the Southern District of New York and elsewhere, GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," and JOSHUA SAMUEL AARON, a/k/a "Mike Shields," and ZIV ORENSTEIN, a/k/a "Aviv Stein," a/k/a "John Avery," the defendants, and others known and unknown, willfully and knowingly did combine, conspire, confederate and agree together and with each other to commit an offense against the United States, to wit, securities fraud, in violation of Title 15, United States Code, Section 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

15. It was a part and an object of the conspiracy that GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a

"Phillipe Mousset," a/k/a "Christopher Engeham," JOSHUA SAMUEL AARON, a/k/a "Mike Shields," and ZIV ORENSTEIN, a/k/a "Aviv Stein," a/k/a "John Avery," the defendants, and others known and unknown, willfully and knowingly, directly and indirectly, by the use of means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in contravention of Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2, by (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon purchasers and sellers, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2, to wit, by email and telephone communications from overseas to New York, New York and elsewhere, the defendants engaged in a scheme to artificially manipulate the price and trading volume of numerous publicly traded stocks in the United States.

Overt Acts

16. In furtherance of the conspiracy and to effect the illegal object thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. In or about mid-2011, GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," the defendant, caused the Firm-1 Jemsta account to be opened under an alias and using a copy of a false passport sent to Firm-1 in Arizona.

b. On or about June 12, 2011, by email from outside the United States to Firm-2, located in New York, New York, ZIV ORENSTEIN, a/k/a "Aviv Stein," a/k/a "John Avery," the defendant, opened an account at Firm-2 using an alias and a false passport.

c. On or about June 26, 2011, in order to obtain trading authority over the Firm-1 Entersa account for JOSHUA SAMUEL AARON, a/k/a "Mike Shields," the defendant, SHALON informed Firm-1 by email that "Mike Shields" was an "advisor" to Entersa.

d. In or about early January 2012, JOSHUA SAMUEL AARON, a/k/a "Mike Shields," the defendant, transferred 2.5 million shares of a particular company ("Stock-1") into the Firm-2 Entersa account in New York, New York.

e. In or about late January 2012, SHALON and AARON caused spam emails touting Stock-1, including false statements about the cause of the increase in Stock-1's trading volume, to be widely disseminated to recipients throughout the United States.

f. From on or about January 30, 2012 to on or about February 13, 2012, Entersa's Stock-1 holdings at Firm-2, located in New York, New York, were liquidated and, at the direction of AARON, Firm-2 wired over \$1.1 million in proceeds to the Entersa Cyprus Account.

g. In or about late 2011, AARON discussed with Promoter-2, by telephone, the manner in which AARON wanted Promoter-2 to manipulate the price of a particular stock ("Stock-2").

h. In or about February 2012, SHALON and AARON met with Promoter-1 in person in Kiev, Ukraine, in furtherance of schemes to manipulate the price and sales the publicly traded stock of at least two companies ("Stock-3" and "Stock-4").

i. In or about October 2012, AARON caused spam emails touting Stock-3, including false statements that Stock-3's trading volume was increasing due to investors "becoming aware of the great story behind [Stock-3]," to be widely disseminated, including via interstate wire communications to recipients in New York, New York.

j. In or about mid-2011, at SHALON's direction, another individual not charged herein wired over \$80,000 of SHALON and AARON's compensation for the unlawful manipulation of the price and trading volume of a particular publicly traded stock ("Stock 5") from the Entersa Cyprus Account to AARON's Warmkal Account.

k. In or about June 2011, by email and telephone, AARON informed a representative of Firm-2 in New York, New York that email promotional campaigns run by AARON and others had resulted in substantial trading volume in ten particular publicly traded stocks (not including Stocks 1-5) on particular dates.

(Title 18, United States Code, Section 371.)

COUNT TWO

(Conspiracy to Commit Wire Fraud)

The Grand Jury further charges:

17. The allegations contained in paragraphs 1-13 and 16 of this Indictment are repeated and realleged as if fully set forth herein.

18. From at least in or about 2011, up to and including in or about May 2015, in the Southern District of New York and elsewhere, GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," JOSHUA SAMUEL AARON, a/k/a "Mike Shields," and ZIV ORENSTEIN,

a/k/a "Aviv Stein," a/k/a "John Avery," the defendants, and others known and unknown, willfully and knowingly, combined, conspired, confederated and agreed together and with each other to violate Title 18, United States Code, Section 1343.

19. It was a part and an object of the conspiracy that the defendants, and others known and unknown, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343, to wit, SHALON, AARON and ORENSTEIN perpetrated schemes to manipulate the price and trading volume of numerous publicly traded stocks, and in doing so, exchanged emails with Firm-2 in New York, New York from overseas and caused Firm-2 to send wire transfers to, and receive wire transfers from, an overseas bank account.

(Title 18, United States Code, Section 1349.)

COUNTS THREE THROUGH SEVEN

(Securities Fraud)

The Grand Jury further charges:

20. The allegations contained in paragraphs 1-13 and 16 of this Indictment are repeated and realleged as if fully set forth herein.

21. On or about the dates set forth below, in the Southern District of New York and elsewhere, GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," JOSHUA SAMUEL AARON, a/k/a "Mike Shields," and ZIV ORENSTEIN, a/k/a "Aviv Stein," a/k/a "John Avery," the defendants, willfully and knowingly, directly and indirectly, by the use of means and instrumentalities of interstate commerce, and the mails and facilities of national securities exchanges, did use and employ, and cause to be used and employed, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in contravention of Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2, by (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which

operated and would operate as a fraud and deceit upon persons, to wit, in or about the time periods set forth below, the defendants set forth below participated in schemes to manipulate the price and trading volume of the following publicly traded securities:

COUNT	DEFENDANTS	SECURITY	TIME PERIOD
THREE	SHALON, AARON and ORENSTEIN	Stock-1	October 2011 to April 2012
FOUR	SHALON and AARON	Stock-2	August 2011 to March 2012
FIVE	SHALON and AARON	Stock-3	December 2011 to October 2012
SIX	SHALON and AARON	Stock-4	March to August 2012
SEVEN	SHALON, AARON and ORENSTEIN	Stock-5	March to September 2011

(Title 15, United States Code, Sections 78j(b) & 78ff; Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2, and Title 18, United States Code, Section 2.)

COUNT EIGHT

(Wire Fraud)

The Grand Jury further charges:

22. The allegations contained in paragraphs 1-13 and 16 of this Indictment are repeated and realleged as if fully set forth herein.

23. From at least in or about 2011, up to and including in or about May 2015, in the Southern District of New York and elsewhere, GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," JOSHUA SAMUEL AARON, a/k/a "Mike Shields," and ZIV ORENSTEIN, a/k/a "Aviv Stein," a/k/a "John Avery," the defendants, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, SHALON, AARON and ORENSTEIN perpetrated schemes to manipulate the price and trading volume of numerous publicly traded stocks, and in doing so, exchanged emails from overseas with Firm-2, located in New

York, New York, and caused Firm-2 to send wire transfers to, and receive wire transfers from, an overseas bank account.

(Title 18, United States Code, Section 1343.)

COUNT NINE

(Identification Document Fraud Conspiracy)

The Grand Jury further charges:

24. The allegations contained in paragraphs 1-13 and 16 of this Indictment are repeated and realleged as if fully set forth herein.

25. From at least in or about 2011, up to and including in or about May 2015, in the Southern District of New York and elsewhere, GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," JOSHUA SAMUEL AARON, a/k/a "Mike Shields," and ZIV ORENSTEIN, a/k/a "Aviv Stein," a/k/a "John Avery," the defendants, together with others known and unknown, willfully and knowingly combined, conspired, confederated, and agreed together and with each other to commit an offense against the United States, to wit, identification document fraud, in violation of Title 18, United States Code, Sections 1028(a)(2), 1028(a)(3), and 1028(a)(7).

26. It was a part and an object of the conspiracy that GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," JOSHUA SAMUEL

AARON, a/k/a "Mike Shields," and ZIV ORENSTEIN, a/k/a "Aviv Stein," a/k/a "John Avery," the defendants, and others known and unknown, willfully and knowingly would and did transfer an identification document, authentication feature, and a false identification document, in and affecting interstate and foreign commerce, knowing that such document and feature was stolen and produced without lawful authority, in violation of Title 18, United States Code, Section 1028(a)(2).

27. It was further a part and an object of the conspiracy that GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," JOSHUA SAMUEL AARON, a/k/a "Mike Shields," and ZIV ORENSTEIN, a/k/a "Aviv Stein," a/k/a "John Avery," the defendants, and others known and unknown, willfully and knowingly would and did possess with intent to use unlawfully and transfer unlawfully five and more identification documents, authentication features, and false identification documents, in and affecting interstate and foreign commerce, in violation of Title 18, United States Code, Section 1028(a)(3).

28. It was further a part and an object of the conspiracy that GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," JOSHUA SAMUEL AARON, a/k/a "Mike Shields," and ZIV ORENSTEIN, a/k/a "Aviv Stein," a/k/a "John Avery," the defendants, and others

known and unknown, willfully and knowingly would and did transfer, possess, and use, without lawful authority, a means of identification of another person with the intent to commit, and to aid and abet, and in connection with, unlawful activity that constitutes a violation of federal law, in violation of Title 18, United States Code, Section 1028(a)(7).

Overt Acts

29. In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about March 29, 2011, to open the Firm-1 Entersa account using an alias, ZIV ORENSTEIN, a/k/a "Aviv Stein," a/k/a "John Avery," the defendant, emailed to Firm-1 a copy of a purported passport of the United Kingdom ("False Name-1 UK Passport").

b. In or about June 2011, to obtain trading authority for JOSHUA SAMUEL AARON, a/k/a "Mike Shields," the defendant, over the Firm-1 Entersa account, GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," and AARON caused Firm-1 to receive false personal identification information, including a fake Florida driver's license and a Social Security Number belonging to another person.

c. In or about June 2011, to open the Firm-1 Jemsta account, SHALON caused Firm-1 to receive a false purported passport of France.

d. On or about June 12, 2011, to open the Firm-2 Entersa account, ORENSTEIN sent an email from outside the United States to Firm-2, located in New York, New York, containing a false purported passport of the United Kingdom, which bore a different name than that of the False Name-1 UK Passport (the "False Name-2 UK Passport").

e. On or about August 4, 2011, by email, AARON provided the False Name-2 UK Passport to Firm-1.

f. On or about March 1, 2011, working with SHALON, ORENSTEIN provided a copy of a fake United States passport to a financial institution in Azerbaijan.

(Title 18, United States Code, Section 1028(f).)

COUNT TEN

(Aggravated Identity Theft)

The Grand Jury further charges:

30. The allegations contained in paragraphs 1-13, 16 and 29 of this Indictment are repeated and realleged as if fully set forth herein.

31. In or about mid-2011, in the Southern District of New York and elsewhere, GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher

Engeham," and JOSHUA SAMUEL AARON, a/k/a "Mike Shields," the defendants, willfully and knowingly did transfer, possess, and use, without lawful authority, a means of identification of another person, during and in relation to a felony violation enumerated in Section 1028A(c), to wit, SHALON and AARON used the Social Security Number of another person to commit the fraud conspiracies charged in Counts One, Two and Nine of this Indictment, and wire fraud as charged in Count Eight of this Indictment.

(Title 18, United States Code, Sections 1028A and 2.)

COUNT ELEVEN

(Money Laundering Conspiracy)

The Grand Jury further charges:

32. The allegations contained in paragraphs 1-13, 16 and 29 of this Indictment are repeated and realleged as if fully set forth herein.

33. From at least 2011, up to and including in or about May 2015, in the Southern District of New York and elsewhere, GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," and JOSHUA SAMUEL AARON, a/k/a "Mike Shields," the defendants, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to

violate Title 18, United States Code, Section 1956(a)(1)(B)(i) and 1957(a).

34. It was a part and an object of the conspiracy that GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," and JOSHUA SAMUEL AARON, a/k/a "Mike Shields," the defendants, and others known and unknown, in an offense involving and affecting interstate and foreign commerce, knowing that the property involved in certain financial transactions represented the proceeds of some form of unlawful activity, willfully and knowingly would and did conduct and attempt to conduct such financial transactions which in fact involved the proceeds of specified unlawful activity, to wit, the proceeds of (i) the wire fraud and securities fraud conspiracies charged in Counts One and Two of this Indictment, (ii) the securities fraud offenses charged in Counts Three through Seven of this Indictment, and (iii) the wire fraud scheme charged in Count Eight of this Indictment, knowing that the transaction was designed in whole or in part to conceal and disguise the nature, the location, the source, the ownership and the control or the proceeds of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

35. It was a further part and an object of the conspiracy that GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi,"

a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," and JOSHUA SAMUEL AARON, a/k/a "Mike Shields," the defendants, and others known and unknown, within the United States and involving United States persons, in an offense involving and affecting interstate and foreign commerce, willfully and knowingly would and did engage and attempt to engage in monetary transactions in criminally derived property of a value greater than \$10,000 that was derived from specified unlawful activity, to wit, the proceeds of (i) the wire fraud and securities fraud conspiracies charged in Counts One and Two of this Indictment, (ii) the securities fraud offenses charged in Counts Three through Seven of this Indictment, and (iii) the wire fraud scheme charged in Count Eight of this Indictment, in violation of Title 18, United States Code, Section 1957.

Overt Acts

36. In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about February 5, 2012, JOSHUA SAMUEL AARON, a/k/a "Mike Shields," the defendant, by email instructed Firm-2, located in New York, New York, to wire \$241,000 from the Entersa Firm-2 account to the Entersa Cyprus Account.

b. On or about February 8, 2012, JOSHUA SAMUEL AARON, a/k/a "Mike Shields," the defendant, by email instructed Firm-2, located in New York, New York, to wire \$191,000 from the Entersa Firm-2 account to the Entersa Cyprus Account.

c. On or about February 13, 2012, JOSHUA SAMUEL AARON, a/k/a "Mike Shields," the defendant, by email instructed Firm-2, located in New York, New York, to wire \$542,000 from the Entersa Firm-2 account to the Entersa Cyprus Account.

d. On or about August 1, 2011, GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," instructed another individual not charged herein to transfer \$27,560 from the Entersa Cyprus Account to Aaron's Warmkal Account.

(Title 18, United States Code, Section 1956(h).)

FORFEITURE ALLEGATIONS

37. As a result of committing the securities and wire fraud offenses charged in Counts One through Eight of this Indictment, GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," JOSHUA SAMUEL AARON, a/k/a "Mike Shields," and ZIV ORENSTEIN, a/k/a "Aviv Stein," a/k/a "John Avery," the defendants, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, any and all property, real and personal,

which constitutes or is derived from proceeds traceable to the commission of the said offenses.

38. As a result of committing the identification document fraud conspiracy offense charged in Count Nine of this Indictment, GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," JOSHUA SAMUEL AARON, a/k/a "Mike Shields," and ZIV ORENSTEIN, a/k/a "Aviv Stein," a/k/a "John Avery," the defendants, shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(2)(B), any and all property constituting or derived from proceeds obtained directly or indirectly as a result of said offense, and, pursuant to 18 U.S.C. § 1028(b), any personal property used or intended to be used to commit said offense.

39. As a result of committing the money laundering conspiracy offense charged in Count Eleven of this Indictment, GERY SHALON, a/k/a "Garri Shalelashvili," a/k/a "Gabi," a/k/a "Phillipe Mousset," a/k/a "Christopher Engeham," and JOSHUA SAMUEL AARON, a/k/a "Mike Shields," the defendants, shall forfeit to the United States pursuant to Title 18, United States Code, Section 982(a)(1), any property, real or personal, involved in such offense, or any property traceable to such property.

Substitute Assets Provision

40. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:


- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be subdivided without difficulty;
it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Sections 981, 982 and 1028;
Title 21, United States Code, Section 853; and
Title 28, United States Code, Section 2461.)



FOREPERSON



PREET BHARARA
United States Attorney

Form No. USA-33s-274 (Ed. 9-25-58)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v. -

GERY SHALON,
a/k/a "Garri Shalelashvili,"
a/k/a "Gabi," a/k/a "Phillipe Mousset,"
a/k/a "Christopher Engeham,"
JOSHUA SAMUEL AARON,
a/k/a "Mike Shields," and
ZIV ORENSTEIN,
a/k/a "Aviv Stein," a/k/a "John Avery,"

Defendants.

INDICTMENT


15 Cr. ____

(15 U.S.C. §§ 78j(b) & 78ff; 17 C.F.R.
§§ 240.10b-5 & 240.10b5-2;
18 U.S.C. §§ 371, 1343, 1349, 1028(f),
1028A, 1956(h) & 2.)

PREET BHARARA

United States Attorney.

TRUE BILL



FOREPERSON

6/2/15 Fld. Indictment under seal. A/w issued

Pitman, USMS

